Statement of Randy Null
Acting Assistant Administrator—Aviation Operations
Transportation Security Administration
Department of Homeland Security

Aviation Subcommittee
Committee on Transportation and Infrastructure
United States House of Representatives

July 14, 2004

Chairman Mica, Congressman De Fazio, and Members of the Subcommittee—
Thank you for inviting me to testify about the financing and deployment of in-line explosive detection systems (EDS) at U. S. airports. Security is our primary concern and the focal point of our mission. With airline travel now approaching the pre-September 11th levels, it is even more important for us today to provide effective world-class security as efficiently as possible, in terms of both time and costs.

As you are aware, TSA is near achieving 100 percent electronic screening of checked bags, as mandated by Congress. Each month TSA generates a classified report, which it shares with Congress, listing airports where TSA continues to work toward 100 percent electronic baggage screening, or EDS, capability. By May, we removed more than half of the few airports remaining on the list, and we expect to complete work on the rest in the near future.

In order to meet Congressionally-mandated deadlines while using available resources responsibly, TSA has pursued a combination of stand-alone EDS and Explosive Trace Detection (ETD) machines and in-line EDS systems. An in-line EDS system is a mechanism by which checked baggage can be screened within an airport's baggage conveyor system. It eliminates the need for a baggage screener or other personnel to physically transport the baggage from the check-in point to the EDS to the airport conveyer system. In-line systems also allow TSA to achieve maximum baggage throughput capacity. For example, a stand-alone EDS system can screen 180 bags per hour, while an in-line unit can screen 450 bags per hour. An added benefit is that installation of an in-line EDS system removes checked baggage screening operations from the airport lobby. However, in-line EDS systems are considerably more costly than stand-alone EDS and many airports are not configured to accommodate installation of EDS technology in-line without extensive facility modifications. Thus, an in-line system is merely one solution for implementing 100% electronic screening of checked bags.

In FY 2004, $721 million was made available for the installation of electronic screening technology for explosives detection, covering both lobby and in-line solutions. This included $250 million in the Department's FY 2004 appropriation and an additional $471 million in carryover from FYs 2002 and 2003. FY 2004 funding also included $158 million for equipment purchases. The Administration's FY 2005 budget request for

explosives detection calls for $400 million, including $250 million for the Aviation Security Capital Fund, for the installation and purchase of electronic screening technology for explosives detection at airports working towards in-line solutions as well as airports requiring additional stand-alone solutions to support increased throughput needs.

TSA purchases and installs in-line EDS equipment through a variety of funding mechanisms, including Congressionally authorized Letters of Intent (LOIs) as well as Other Transaction Agreements (OTAs). For facility modifications needed to accommodate the installation of EDS equipment, the Federal Aviation Administration has provided funding through its Airport Improvement Program (AIP) in FY 2002 and FY 2003. The funding mechanism initiated with an airport for installation of EDS technology is selected based upon the particular security circumstances and needs of each project.

LOIs provide partial reimbursement to airports for facility modifications required to install in-line EDS solutions. TSA has issued eight LOIs for nine airports to provide over $950 million for the facility modifications necessary to accommodate in-line EDS screening solutions at these airports. Between June and September of 2003, TSA issued LOIs to Boston Logan, Dallas Fort Worth, Seattle Tacoma, Denver, Los Angeles, Ontario and McCarran-Las Vegas International Airports. In February 2004, TSA issued LOIs to Atlanta-Hartsfield and Phoenix-Sky Harbor International Airports. Although Boston Logan is the only one of these airports that has completed an in-line system, all of them favor installation of in-line solutions. Seattle-Tacoma International Airport used funding through an LOI to open its new Concourse A last month, which serves 14 gates and has an in-line system.

The LOI selection was based upon specific security criteria that TSA developed to prioritize expenditure of the funds available. Airports with priority for receiving an LOI are those that:

- have not yet met the 100 percent electronic screening of checked baggage mandate;
- periodically fall out of full electronic compliance at peak loads due to seasonal fluctuations and/or will fall out of full electronic compliance due to air carrier moves, additional services, and changes to airport configurations;
- have highly disruptive operational implementations and high staffing levels; and
- currently rely heavily on explosive trace detection (ETD) systems and thus would experience improved operational efficiencies and cost reductions with an EDS system.

In the FY 2005 budget request, the Administration proposes to maintain the Federal cost share of funding for LOIs at 75 percent for large airports and 90 percent for all other airports, and suspend statutory allocation formulas requiring certain portions of the funding to be directed to large hub, medium hub, and small- and non-hub airports. Continuing the current 75 percent cost share level will permit TSA to use its available funding to support the current LOI airports as well as provide resources for additional

projects necessary to maintain security at airports that do not require an LOI. At times, additional equipment capacity is needed to accommodate increased passenger loads and new air carrier service. At this cost share level, funding is available to a greater number of airports for EDS installation.

OTAs have provided airports significant financial help to install EDS. For example, TSA awarded $15 million to the San Francisco International Airport last month and $37.5 million to Chicago O'Hare Airport last May for installation of in-line EDS. In addition, the AIP provided funding in FY 2002 and FY 2003 on a 75/25 cost share basis for facility modifications associated with installation of EDS.

TSA is currently developing an in-depth cost effectiveness analysis to demonstrate the specific elements that will allow the agency to realize a return on the capital investment necessary for in-line screening solutions. It may give FSDs flexibility to deploy baggage screeners to other areas, allow TSA to cross-train a greater number of screeners, focusing that training on a specific set of skills, and provide greater flexibility in managing the screener workforce. TSA also believes that on-the-job injuries may be reduced, because screeners will not be required to handle baggage as frequently.

Great efficiency gains will not occur with in-line EDS usage alone. This technology must be coupled with the adoption of on-screen alarm resolution procedures so that our screeners can send fewer bags for secondary screening, again reducing staffing needs. As TSA continues its research and development efforts for the next generation of EDS technology, even greater efficiencies may be achieved as current platforms become more efficient, alarm rates are decreased, and throughput is increased.

There are roughly two dozen other airports that have requested assistance to fund in-line EDS screening solutions. These airports have not prepared or submitted the final design plans that TSA needs in order to estimate the cost of meeting these requests. The high costs of developing final design plans have caused airports to postpone this step until they are confident of approval of a LOI application. With security and 100% electronic screening of checked baggage as our priority, we are exploring whether the Federal government should invest in additional in-line systems.

TSA continues to allocate appropriated funding to support those airports that need additional equipment to accommodate increased passenger loads and new air carrier service so that these airports can maintain their ability to conduct 100 percent electronic screening. TSA must balance many competing priorities for available funds.

Increases in the volume of passengers, terminal modifications, and airport expansions make fulfilling TSA's goal of 100% electronic baggage screening a constantly moving target. TSA will continue to evaluate situations where an in-line solution makes sense and will continually review its priorities to maximize the utilization of the funds available.

Thank you again for the opportunity to appear before you on this important topic. I look forward to answering any questions you may have.